

**Devon & Cornwall Constabulary
Widows, Orphans and Compassionate Fund**

Registered Charity No. 256931

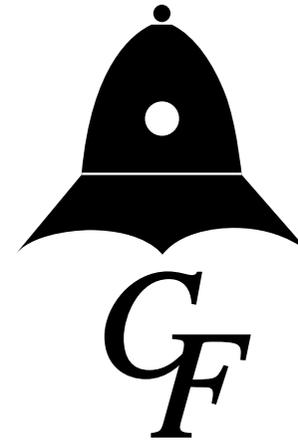


2009



**Annual Accounts
and
Report of the Trustees**

**Devon & Cornwall Constabulary
Widows, Orphans and Compassionate Fund**



**Otherwise known as
The Devon & Cornwall Constabulary Compassionate
Fund**

**Registered Office
Unit 2 River Court, Pynes Hill, Exeter, EX2 5JL**

Agents and Advisers

Auditor:	Wortham Jaques Chartered Accountants and Statutory Auditors 130a High Street Credon, Devon EX17 3LQ
Banker:	HSBC 250-251 High Street Exeter EX4 3QD
Investment Adviser:	HSBC Investment Management HSBC Republic Bank (UK) Ltd 78 St James's Street London SW1A 1HL

Membership of the Management Committee at April 2010

Officers

President:	The Chief Constable Stephen OTTER
Chairman:	Sergeant Nigel RABBITTS
Vice Chairman:	Sergeant Rachel MANIFIELD
Secretary:	Constable David JAMES
Treasurer and Administrator (non Trustee)	Gerry ALLEN

Elected Representatives

Superintendents	Superintendent Ian CURTIS Chief Superintendent Russ MIDDLETON
Inspectors	Inspector Tim GALBRAITH Inspector Mick GLYNN Inspector Ian MILLIGAN
Sergeants	Sergeant Pennie CHANNING Sergeant Gregory JARRETT Sergeant Andy ROBINSON
Constables 1 BCU - Cornwall	Constable Sam HILL Constable Jason HOWARD Constable Paul JEFFERY
2 BCU - Plymouth	Constable Sherman WRIGHT
3 BCU - Devon	Constable Steve PENGILLY Constable Sarah ROSS Constable Martin BECK Constable Joanne MAY
Co-opted	Constable Paul HUTCHINGS

NARPO

Cornwall	Tony FAIRLESS
Devon	Tony DARK
Plymouth	Brian RUNDLE
Co-opted Independent Pensioner	Pam GILES

Constitution and Membership

Origin

The Fund was formed in 1968 as an amalgamation of the Cornwall Constabulary Widows' and Orphans' Provident Fund, the Devon and Exeter Constabulary Widows', Orphans' and Compassionate Fund and the Plymouth City Police Widows', Orphans' and Provident Fund.

Status

The Fund is an unincorporated charity registered with the Charity Commission registration number 256931. It functions within rules approved by the membership and the Charity Commission.

Objects, Management and Public Benefit

The charity's trustees have complied with the duty in section 4 of the 2006 Charities Act to have due regard to guidance published by the Charity Commission relating to public benefit.

The activities undertaken to further the charity's objects are summarised in this Trustees'

Annual Report; the objects being:

'To provide financial aid to members or their dependents who are in need.'

The membership of the Fund is open to all sworn officers of the Devon & Cornwall Constabulary whether serving or retired (except at resignation or dismissal). This benevolent fund is aligned with the geographical area of the Devon & Cornwall Constabulary and is one of a number of similar funds throughout the UK.

Details of the grant-making policy and case studies are given elsewhere in this report.

Management

Management is undertaken by a Committee whose members are elected annually and who are representative of all ranks of the Force. In addition three retired members are elected by the National Association of Retired Police Officers, each representing an area of one of the former constituent Forces. Additional Committee members may be co-opted by the Management Committee.

Each committee member is a trustee with considerable responsibility and accountability under Charity Legislation.

Report of the Trustees

Introduction

The Fund was created in 1968 by the amalgamation of the Welfare Funds of the three former Constabularies, which now form the Devon & Cornwall Constabulary. Since the Fund was founded the Fund assets have grown from £91,386 to £2,519,359. In addition a total of £5,525,695 has been paid out in the form of grants.

Since 1st January 1999 new widows could apply for a lump sum grant. This grant was set at £5,000 and is reviewed annually by the Management Committee. With effect from 1st January 2007 this grant was increased by £1,000 to £6,000. It is also open to surviving partners to apply for this grant. The response to the lump sum payments continues to be favourable and the Management Committee regularly receives letters of gratitude from the recipients at what is a most difficult time for them. The policy of the Fund in relation to claims for the lump sum grant on the death of a member continues to include surviving partners both same sex and opposite sex. The proof of partnership will be the same as for police pension purposes and will include civil partnership marriages.

It is also open to any orphan of the Fund to apply for a dependant child grant. An orphan is defined as a Fund members' child in full time education up to the age of 21 years where one or both parents have died. The grant is reviewed and awarded annually. The value of the grant for the 2009-2010 academic year was £1,000 per child which was an increase of £200 over the previous year.

It is also open for any Fund member or dependant (as defined) to apply for a special grant from the Fund where there is a financial need. The application is considered by the Trustees of the Fund and grants can be authorised to fully fund or partially fund the applicants need. Where a grant is not authorised the applicant is advised in writing with the reasons for the unsuccessful application.

The grants are considered at the Trustees management meetings which are held four times a year.

If there is deemed to be urgency in the need for a grant there is a procedure where an emergency grant can be approved by two of the executive officers up to a limit of £1,000. This is then reported at the next Trustees management meeting for information and any further action that may be required. There is a proposed change to the rules of the Fund to increase the limit of the emergency grant from £1,000 to £2,000. This will be considered at the Annual General Meeting on 7th July 2010.

In conclusion of this introduction, I am pleased to report that the Fund has again returned a credit balance for the accounting year.

Trustees

During 2009 and to April 2010 the following changes in Trustees have taken place:

New Trustees

January 2009	Sergeant Nigel Rabbitts
June 2009	Sergeant Rachel Manifold
January 2010	Constable Sam Hill
January 2010	Chief Superintendent Russ Middleton
January 2010	Inspector Ian Milligan
January 2010	Inspector Tim Galbraith
February 2010	Constable Sarah Ross
March 2010	Sergeant Stephen Tovagliari

Resigning Trustees

March 2009	Sergeant Graham Weekes (on retirement)
May 2009	Sergeant Andy Hookway (on retirement)
October 2009	Inspector Lesley Hecht
December 2009	Inspector Paul Chudley (on retirement)
December 2009	Chief Superintendent Jim Webster
February 2010	Constable Alan Hess (on retirement)
March 2010	John Stephens

Trustees of the Fund (The Committee) are all serving or retired police officers and members of the Fund. The Committee consists of the Chief Constable, who is the Honorary President of the Fund, the Chairman, the Treasurer and the Secretary, who by reason of their Office are additional to the trustees shown below.

Superintendents:

The Superintendents Association to elect up to a maximum of two trustees.

Inspectors:

The Inspectors Branch Board to select up to a maximum of three trustees of the Inspecting rank, regardless of elected Police Federation status.

Sergeants:

The Sergeants Branch Board to select up to a maximum of six trustees of the Sergeant rank, regardless of elected Police Federation status.

Constables:

- (1) Cornwall and the Isles of Scilly shall elect one Constable per two local authority districts, being a total of three Constables. The local authority districts being:
 - Penwith & Kerrier
 - Carrick & Restormel
 - North Cornwall & Caradon.
- (2) Plymouth shall elect two Constables.
- (3) Devon shall elect one Constable for Exeter and one Constable per two local authority districts, being a total of five. The local authority districts being:
 - West Devon & South Hams
 - Torbay & Teignbridge
 - East Devon & Mid Devon
 - North Devon & Torridge

Pensioners:

- One retired member from Cornwall
- One retired member from Plymouth and

One retired member from remainder of Devon, as elected by the respective Branches of the National Association of Retired Police Officers

All Committee Members must be Members of the Fund, except where specifically waived by resolution of the Committee.

The Committee shall have the power to co-opt to their number any member of the Fund. He/she shall have full voting rights and shall take part in any function of the Committee. All elections shall take place in December/January each year."

All new Trustees are sent an induction pack in relation to being a Trustee and are given the opportunity to visit the Fund office for more information from the Executive Officers of the Fund in relation to their role as a Trustee of the Fund.

Support

The Charity was formed by police officers for police officers (serving or retired) and their dependants. Membership is available through a monthly charitable donation at a set figure (2010 £3.10), which provides peace of mind on a personal level (in the hope of never having to call upon it) but membership also contains the elements of altruism or philanthropy in considering the plight of others.

Sadly over the last fifteen years support for the Fund by way of membership of serving officers has sharply declined. In 1993 just over 85% of serving officers were members of the Fund by the end of 2009 this had reduced to just under 50%. This is the first time in the history of the Fund that the membership of serving officers has fallen below 50%!

A projection has been made in relation to the membership of the Fund and if the decline in membership continues at the same rate over the next ten years then only 15-20% of serving officers will be members of the Fund.

It is difficult to quantify why there has been this continued dramatic drop in membership of the Fund and it has been subject of many discussions at Trustees meetings to establish the reasons and try to address them.

There is a possible solution to this problem in that it has been proposed that all new recruits are automatically signed up for various services ie Police Federation membership, group insurance Compassionate Fund etc., and they would receive free membership for their first 12 months service.

They would then have to opt out rather than opt in. It is felt that this would greatly increase the take up of membership. However legal advice is being sought as to whether this can be implemented without contravening peoples' rights and is lawful.

The tragedy of a declining membership is:

- (i) What is the long term future of the Fund on a financial basis, as the total donations received from Fund members on an annualized basis will continue to decline in line with the decline in membership?
- (ii) There have been and will continue to be an increasing number of serving and retired police officers or their dependants who would have need of a grant but will not come under the umbrella of the Fund.

During 2009 there was a slight improvement in the number of new recruits/transferees who joined the Fund, a total of 33 out of 104 which amounts to just over 31%. This is an increase of 10% over the previous year. In addition presentations were given to probationers on two continuation courses which resulted in 12 new members. Sadly these courses have been suspended and so this avenue of recruitment has ceased.

The total membership of the Fund is 3,359 this is made up of 1,753 serving officers and 1,606 pensioners. In relation to the pensioners 617 members enjoy free membership due to age and 2 at the discretion of the Management Committee.

As at 31st December 2009 there was a decrease of 92 members of the Fund from the previous year. This is made up of the death of 25 members and the withdrawal from membership by serving officers on resignation and on retirement. Sadly many officers who have been members of the Fund for all their service fail to continue their membership into retirement. In the past follow up letters have been sent to retired officers who have not continued with their membership but with little or no success.

During 2009 the Fund received £2,559 from In-Force fund raising this is a decrease of nearly £3,600 over the previous year. However in 2008 a one off donation of £3,500 was received from the Chief Constable, so in real terms the In Force fund raising for 2009 is on a par with 2008. There have been efforts to raise the profile of the Fund to the Force through the Force magazine but whilst each year many officers throughout the Force raise money for charity, for some reason the majority continue to forget their own police charity.

Donations received from the public amount to £6,018 of which £721 was received in the Funds collection boxes located in police enquiry offices throughout the Force. This is an overall increase of £786 from the previous year.

Dependants

The condolences of the Fund Trustees are with all the families who have suffered a loss during 2009.

During 2009 the number of members who died was 25, which resulted in lump sum grant payments being made to 12 applicants, at a cost of £66,000. In addition there were seven widows who did not apply for a grant or were not in financial need and six were widowers or divorced.

The number of dependant children reduced to 22 and of this number 10 children had attained 16 years and remained in full-time education. Dependant children grants are now paid annually at the start of the academic year. The circumstance of each child is reviewed annually in August and the payment made in October. For the 2009-2010 academic year the dependant child grant was authorised by the Fund Committee to be £1,000.00 each, an increase of £200.00 on the previous year.

This means that the dependant child grant has increased in value from £400.00 to £1,000.00 over a three year period. This represents an increase of 250%. The value of this grant will continue to be reviewed annually by the Fund Management Committee

Progress

During 2009 the Funds incoming resources was £1,209,141 this represents a massive 79.5% increase over the 2008 income. This huge increase is due to a £1,000,000 legacy from the North Devon area. Whilst this amount has appeared in the accounts it is an estimated value of the legacy and as at 31st December 2009 an interim payment of £150,000 had been received by the Fund. The estate made up of investments, a large residential property and agricultural land. It will probably take another 12 months for the executors to finalise the estate.

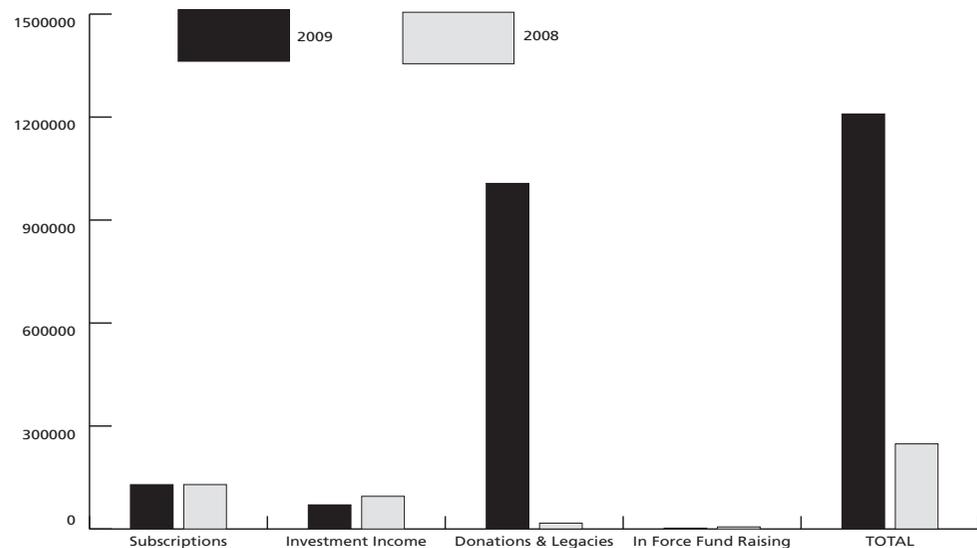
The expenditure of the Fund during 2009 was £172,266 which is a decrease of just over £2,000.

The Fund returned a surplus for 2009 of £1,036,875 which is totally due to the large legacy albeit that even without the legacy there would have been a surplus of £36,875 which is a

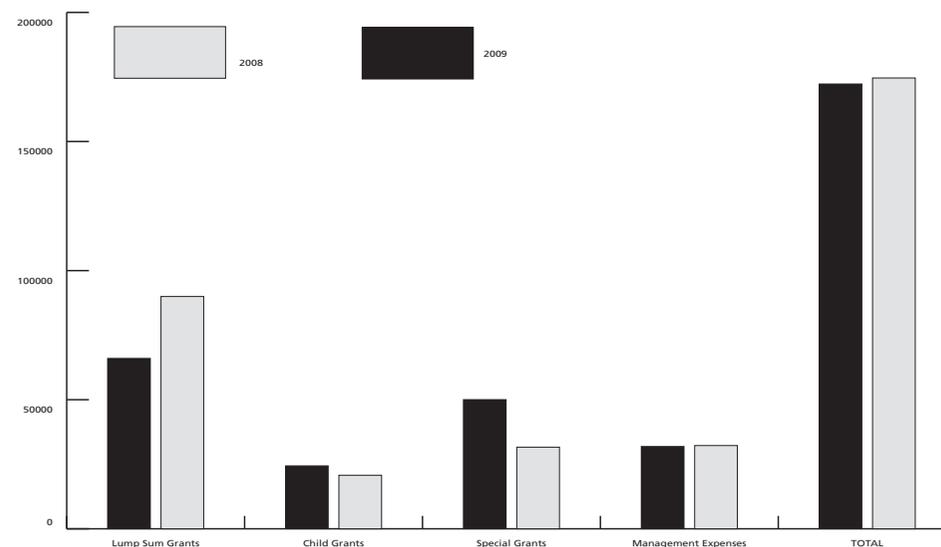
very good result for the Fund. It is important for the Fund to build up its reserves if the current trend of declining membership continues. As at 31st December 2009 the unrestricted funds of the Compassionate Fund were £3,369,359 this is an increase of £1,338,812 over the previous year and represents an increase of 65% in the value of the Fund. Clearly the majority of this increase is made up of the legacy of which £850,000 has not yet been received. The remaining increase is made up of the £36,875 surplus and the increase in value of the Funds investment portfolio.

The objective of the Management Committee is to protect the value of the Fund's assets against inflation to provide growth and income for the benefit of the members. The investment market has been very turbulent over last 12 months with interest rates at their lowest level in living memory; however there has been some recovery in the equity market albeit full confidence has not yet returned to the market place. If we are to believe the latest figures the UK as a whole is now emerging from the recession but there is still a long way to go before we see any real growth in the UK economy and this will continue to have an effect on the investments of the Fund and its income for many months to come. However, the Trustees of the Fund will continue to try and achieve the objective with due diligence over the coming months.

Income



Expenditure



Members and Dependants as at 31st December 2009

	2009	2008	Decrease (-)	Increase (+)
Total Fund Membership	3359	3451	-9	
Serving Officers	1753	1834	-81	
Pensioners	1606	1617	-11	
Subscribing	989	1025	-36	
Free Members (over 70 years)	617	592		+25
Paid Lump Sum	12	15	-3	
Dependant Children Supported	22	28	-6	
16 years and Over Undergoing Full-Time Education	10	11	-1	
Under 16	12	17	-5	

Accounts

Income

Donations and Legacies

Under legacies receivable the accounts show a figure of £1,000,869 of which £1,000,000 is a legacy from a spinster in North Devon with no known contacts with the Devon & Cornwall Constabulary. The lady in question left various personal bequests but the majority of the estate was bequeathed equally to three charities, one of which was the Compassionate Fund. The estate of the lady was made up of agricultural land, a residential property and investments. The full amount which is due under the legacy has not yet been received and the Fund has been advised that it could take another 12 months to finalise. To date the Fund has received one disbursement of £150,000 and another is due to be paid in early 2010. Enquiries are on going in relation to some of the parcels of land which may have development potential and if this is proved to be the case then the estimated value of the estate will increase.

Income from legacies is impossible to forecast from one year to the next but is gratefully received albeit from sad circumstances. The public donations received in 2009 (including the police station collection boxes) amounted to £6,018 which is a small increase on the previous year.

Subscriptions

The monthly membership subscription (charitable donation) during 2009 was £3.00 per month. The total receipts from members donations (including the recovery of income tax from the HM Revenue and Customs through gift aid) was £129,321 this is a slight decrease over the previous year. The Gift Aid claim to the HM Revenue and Customs continue to be made on a monthly basis and over the year this has been worth in excess of £28,000 and emphasises the importance of members signing the gift aid forms. As a registered charity we are very fortunate in that just over 99% of the Funds subscribing membership are gift aiders for the Fund. With effect from 2008-9 tax year the base rate income tax was reduced by 2% to 20% this will have a direct effect on the gift aid claim made by the Fund however for a transitional period of three years the Chancellor of the Exchequer has agreed to pay a top up relief to allow charities time adjust to this reduction in gift aid income. The Trustees of the Fund have considered the impact of this income reduction and have decided to increase the members monthly donation by 10 pence wef 01/01/2010.

In-Force Fund Raising

The amount received during 2009 by the Fund through In Force fund raising has fallen to an all time low of £2,559. There were no social events organised anywhere in the Force during

2009 for the benefit of the Fund. It is believed that this is the first time in the history of the Fund that this has occurred.

However the Fund continues to be supported by several long standing fund raisers including:

Force Bowls Section, The Devon and Cornwall Police Federation Joint Branch Board and the various branches of NARPO.

All 2009 In-Force fundraisers are included in the table set out at the end of this report and the Management Committee commends them all for their hard work and fund raising activities.

Investment Income

The income received from the Funds investment portfolio for 2009 was £70,079 this is a decrease of over £14,000 from the previous year and is as a direct result of the credit crunch and the recession. Another victim of the recession and banking crisis over the last twelve months has been the interest rates available for investment. As a consequence of these poor rates only £195 income was received from the interest bearing bank account.

To sum up, the total investment income for 2009 was £70,274 a net decrease of 26.2% on the previous year.

Expenditure

Grants

The Fund paid out a total of £140,386 in grants during 2009. This was made up of £66,000 for lump sum grants, £24,365 for dependant childrens grant and £50,021 for special grants.

As far as the lump sum grant is concerned during the year 25 members of the Fund died, of this number 6 were widowers or divorced and therefore no claim was made to the Fund. Of the 19 remaining widows/surviving partners of members, 6 declined to make a claim and one claim not authorised. In total 12 widows made a successful claim for the grant.

It is to be remembered that a surviving widow(er) / partner of a member remains a dependant of the Fund whether or not a claim is made or even successful and should their circumstances change in the future can approach the Fund for a special grant. If there is any doubt on this then contact should be made with the Fund Administrator or Fund Trustee for advice.

During the year an application for a grant was received from serving officer Stephen Parker. His eldest son Harry who is eight years old has cerebral palsy and has impairment to his gross and fine motor skills. He has very limited speech and communicates with the use of sign language and a communication aid (previously purchased with a Compassionate Fund Grant). Harry by necessity receives a large range of special medical support and is currently referred to Great Ormond Street Childrens Hospital. Harry attends mainstream school where he is

statement and receives one to one teaching support. He is a very happy and sociable little boy. He enjoys the activities and interests of all boys his age. For some time he had been interested in riding scooters and trying to ride a bicycle. It was quite clear that he did not have the balance or coordination to do either with any great success and so the option of a specialized tricycle was considered. Harry was assessed for this type of tricycle which is specially designed and made for young children with disabilities.

Harry has two younger brothers Oliver (three years old) and Alex (two years old). A grant of £1,800 was authorised to cover the full cost of the tricycle. It was the wish of the Trustees that also included in the grant was a contribution towards the cost of small bicycles or scooters for Oliver and Alex.

Although Harry can walk, he needs to use a wheelchair for longer distances, the tricycle has provided Harry with a degree of independence, he can propel himself but can still get some help when its needed. The tricycle is designed to last Harry until he is 13 or 14 years old.



Harry enjoying his tricycle on Plymouth Hoe together with his brothers Oliver and Alex

Fund Members Centenary

Retired Chief Superintendent George Brown attained his centenary on 23rd September 2009. The Compassionate Fund Chairman Steve Tovagliari together with Gerry Allen (Fund Treasurer/Administrator) Alan Sanders (NARPO Cornwall) and Roy Bradley (NARPO Cornwall) met up with George for a celebration lunch a couple of days after the big day. Also joining them was Superintendent Julie Whitmarsh representing the Chief Constable Stephen Otter who sent a personal greeting and gift to mark the occasion.

On arrival at the restaurant there was George sitting with pride beside his card from Queen Elizabeth II. George with a glass of wine in hand soon recalling tales of the Old Penzance Borough Police and how he came to join this force rather than Plymouth which was where he was born. Back in 1929 when George joined the Penzance Borough Force it also included responsibilities for weights and measures and being a fireman as well.

He recalled that when a fire was reported that the hand driven generator had to be operated by the on duty policeman sounding the alarm in the off duty police officers houses who would then turn out as firemen! George remained in the Penzance Borough Police until it amalgamated with the Cornwall Constabulary in 1947 and then he went to Falmouth as an Inspector.

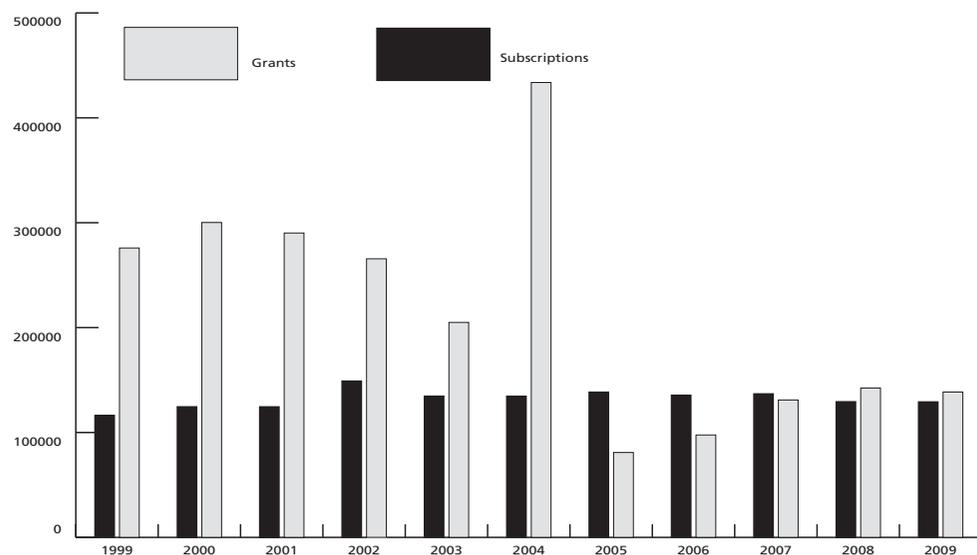
George finally retired as a Chief Superintendent at Liskeard in the Devon & Cornwall Constabulary in 1969.

George is believed to be the first retired officer since the formation of the Devon & Cornwall Constabulary to attain their 100th Birthday.



The Compassionate Fund Chairman Sergeant Steve Tovagliari congratulating George Brown on attaining 100 years of age

Subscriptions and Grants



Administration

In 2009 the overall administration costs of the Fund including the portfolio management fee and audit fee was £31,880. This is a small decrease over the previous year despite incurring HSBC local bank charges. This is the first year that the local branch of HSBC has debited the Fund bank charges for its current and deposit accounts. The investment management costs and audit charges are monitored to ensure that the Fund is receiving best value and not being overcharged.

Assets

Investments

During 2009 the Funds investment portfolio has been managed by H.S.B.C. Investment Management, London. The Funds investment manager is Mr. Jonathan Longstaff. During the past 18 months he has attended Pynes Hill on two occasions and given presentations in relation to the Investment strategy of HSBC for the Funds investment portfolio. The new management style and increased management fees did not meet with the approval of the Finance Committee. At an early stage this was made known to the HSBC Investment manager Mr Jonathan Longstaff. However whilst he listened to the message, no improvement was evident. During the year the strategy, performance and communication of HSBC Investment Management continued to be monitored.

Details were obtained in relation to other investment managers and Mr Paul Cattermull a representative of Brewin Dolphin Ltd one of the largest independent private client investment managers gave a presentation to the executive officers of the Fund in relation to Brewin Dolphin's investment strategy, fees and performance. Brewin Dolphin Ltd has been named Best Discretionary Service at the Daily Telegraph Wealth Management Awards 2008. Paul Cattermull was previously with HSBC and was the Funds investment manager. The Fund Finance Committee recommended to the Management Committee at the January 2010 meeting to change the Funds investment management from HSBC Global Investment Management to Brewin Dolphin Ltd. This recommendation was endorsed unanimously by the Management Committee. The Fund is now in the process of carrying out the change of investment managers which should be completed before the end of the 2009-2010 financial year.

As at 1st January 2009 the value of the Funds investment portfolio managed by HSBC was £1,922,666. But by year end 31st December 2009 the value had increased 14.78% to £2,206,966. The increase in the value of the Funds investment portfolio is as a result of the recovering equity market but there is no room for complacency as historically there is often a downward slide after a partial recovery such as we have seen in the later part of 2009.

Whilst the Bank of England base rate remains at its lowest level in its history, good returns on deposits and bonds will be difficult to obtain without onerous conditions. The old enemy of inflation is beginning to rise and this will have an effect on the long term value of the Fund. Therefore despite the difficulties and volatility of the stock market, this is where the Fund has the best opportunity to obtain good financial return and growth. With the imminent change of the Fund's Investment Management Team, the Trustees will be closely monitoring the performance of Brewin Dolphin Ltd and that of its investment manager, Mr. Paul Cattermull.

The Fund continues to be in the fortunate position that it is has returned a positive balance sheet and that this will ensure there is no requirement to sell equities during a volatile period of investment to finance the Funds charitable activities.

The Fund Investment Policy (as approved by the Management Committee of Trustees 06/04/2006 minute 16/06(a) refers) is as follows:

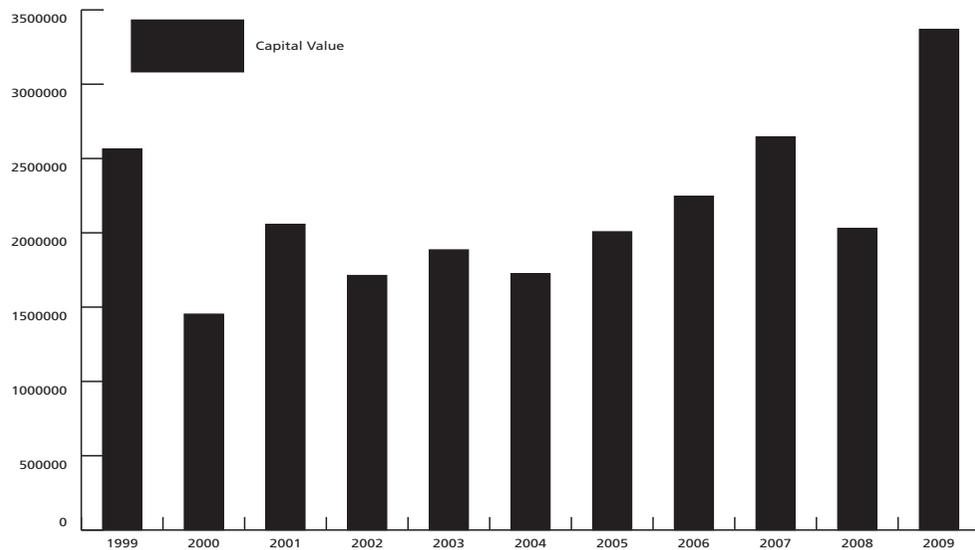
"The Fund Trustees will regularly review investments and will ensure that the Funds investment portfolio is managed by a professional investment manager who will invest to achieve capital and income growth from a portfolio of diverse equities, combined with investment in UK government and corporate fixed interest markets to provide capital protection"

Capital

As at 31st December 2009 the Funds capital value was £3,369,359 this is an increase of £1,338,812. Once again it needs to be pointed out that the majority of this huge increase is as a result of the £1,000,000 legacy. However even without this legacy there has been an increase of £338,812. This has gone some way to recover the £614,363 loss in value of the Fund during 2008.

The Fund will now look to our new investment management team to work hard on our behalf to safeguard the Funds investments with a view to maximising on a further recovering market for continued growth and income.

Capital Value



Reserves

The "reserves" of the Fund by definition as at 31st December 2009 were £3,369,359.

The Fund policy on reserves is:

"The Trustees of the Fund will strive to maintain reserves to produce sufficient income to supplement the donations to the Fund in order to meet the immediate financial need of the Fund and that of the future"

Risk Management

The Management Committee has a risk management policy namely:

"The Trustees of the Fund will identify major risks that can affect the objectives / performance of the Fund and will take positive action to minimise the outcome of those risks by the implementation of agreed strategies / systems. The Trustees will regularly review these risks and strategies / systems"

To this end the topic of Risk Management is a permanent agenda item for both the Management Committee and the Finance Committee meetings.

In addition a Risk Register has been instigated where all identified risks and their agreed control action plan are recorded.

Vulnerable Persons

The Management Committee has a vulnerable person's policy namely:-

Any Trustee or person acting on behalf of the Fund who has face to face contact with a beneficiary or potential beneficiary who is

- (i) a child
- (ii) vulnerable through infirmity, disability or age

must do so in the presence of a lawful guardian, parent, carer or nominated friend as appropriate. Any breach of this policy must be reported to the Fund Committee for action.

Outlook

This is the seventh successive year that the Fund has produced a positive balance sheet. Securing new Fund members from new recruits and transferees continues to be a problem, membership is the life blood of the Fund and every effort will continue to be made to encourage the take up of Fund membership. We monitor closely the progress of the proposed new recruitment plan should it be possible to implement following the legal advice.

It has been encouraging to see that there has been some recovery reflected in the Funds investment portfolio and the Fund is still very viable and in a healthy financial position. As reported in last years report "it is a proven fact that they (financial markets / investments) will recover", and so we can now look forward to the coming twelve months with some optimism for a recovering market and an emergence from the recession.

The object is to meet the needs of the membership during any given financial year and to build up reserves for the needs of future claimants of the Fund.

The audit of the Fund was carried out in February 2010 and the auditor's report is reproduced in this document. The Fund membership can be reassured that the administration of the Fund continues to be effective and efficient.

Gerry Allen
Fund Administrator and Treasurer
On behalf of the Trustees

This report was approved by the Trustees on 14 April 2010 and was signed on their behalf by

Mr N Rabbitts Fund Chairman

Mr D James Fund Secretary

Statement of Trustees' Responsibilities for the year ended 31st December 2009

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 1993 and the Charity (Accounts and Reports) Regulations and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

We have audited the financial statements of Devon & Cornwall Constabulary Widows' and Orphans'

Compassionate Fund for the year ended 31st December 2009 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charity's trustees, as a body, in accordance with Sections 43 and 44 of the Charities Act 1993. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The trustees' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under that Act. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are prepared in accordance with the Charities Act 1993. We also report to you if in our opinion the information given in the Trustees' Annual Report is not consistent with the financial statements, the charity has not kept sufficient accounting records, if the charity's financial statements are not in agreement with these accounting records and if we have not received all the information and explanations we require for our audit.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charity's affairs as at 31st December 2009 and of its incoming resources and application of resources for the year then ended, and
- the financial statements have been prepared in accordance with the Charities Act 1993.

Wortham Jaques
Statutory Auditor

130a High Street, CREDITON
Devon
EX17 3LQ

Statement of Financial Activities Incorporating the Statement of Recognised Gains and Losses for the year ended 31st December 2009

	Notes	2009 £	2008 £
Incoming resources			
Incoming resources from generated funds			
Voluntary Income			
Donations and gifts	2.1	6,018	5,322
Legacies receivable	2.4	1,000,869	11,748
Subscriptions and Gift Aid	2.2	129,321	129,474
Divisional fund raising		2,559	6,154
Investment income	2.3	70,274	95,160
Other incoming resources		100	150
Total incoming resources		1,209,141	248,008
Resources Expended			
Costs of generating funds			
Costs of generating voluntary income	3	2,208	2,153
Investment management costs		14,603	15,432
		16,811	17,585
Charitable activities	3	151,511	153,131
Governance costs	3	3,944	3,886
Total resources expended		172,266	174,602
Net incoming resources before other recognised gains and losses		1,036,875	73,406
Gains/(losses) on investment assets	1e, 9	301,937	(687,769)
Net movement in funds		1,338,812	(614,363)
Reconciliation of funds			
Total funds brought forward		2,030,547	2,644,910
Total funds carried forward		£3,369,359	£2,030,547

The charity is not liable to tax on its net income.

All funds are unrestricted.

The notes on pages 25 to 29 form an integral part of these accounts.

Balance Sheet as at 31st December 2009

	Notes	2009 £	2008 £
Fixed Assets			
Tangible assets	6	337	421
Investments	1e, 9	2,206,966	1,922,666
		2,207,303	1,923,087
Current Assets			
Cash at bank		297,461	97,857
Gift Aid tax repayable		4,904	3,776
Legacy receivable	2.3	850,000	-
Other debtors and prepayments		16,700	17,851
		1,169,065	119,484
Creditors: amounts falling due within one year			
Grants payable		-	6,000
Other creditors and accruals		7,009	6,023
		7,009	12,023
Net Current Assets		1,162,056	107,461
Total Assets less Current Liabilities		£3,369,359	£2,030,547
Funds			
Unrestricted funds	8	£3,369,359	£2,030,547

These accounts were approved by the trustees on the 14th April 2010 and were signed on their behalf by:

Mr N Rabbitts (Chairman):

Mr D James (Secretary):

The notes on pages 25 to 29 form an integral part of these accounts.

Notes to the accounts for the year ended 31st December 2009

1. Accounting Policies

(a) Basis of Accounting

These accounts have been prepared under the historic cost convention with the exception of investments, which are included at market value. The financial statements have been prepared in accordance with applicable accounting standards, the Charities Act 1993 and the Statement of Recommended Practice on Accounting and Reporting by Charities issued in March 2005 (the Charities SORP 2005). The principal accounting policies adopted in the preparation of the accounts are set out below.

(b) Incoming Resources

Subscriptions

Subscriptions do not entitle members to any material benefits and are equivalent to donations. They are therefore recognised in full in the statement of financial activities when receivable.

(c) Voluntary income

Voluntary income received by way of grants, gifts, donations and legacies is included in full in the statement of financial activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

(d) Resources Expended

Expenditure is accounted for on an accruals basis. Overhead and other costs not directly attributable to particular functional activity categories are apportioned over the relevant categories on the basis of management estimates of the amount attributable to that activity in the year. Details of the bases of apportionment are given in the notes to the accounts.

Costs of generating funds

Costs of generating funds comprise the costs associated with attracting voluntary income.

Charitable expenditure

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be

allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs of the strategic management of the charity.

(e) Tangible Fixed Assets

Individual fixed assets costing £100 or more are capitalised at cost.

Depreciation is provided on computer equipment to write off the cost in equal annual instalments over five years.

(f) Investment Portfolio

The investment portfolio is carried in the balance sheet at market value on the 31st December in each year. Net unrealised gains or losses on revaluations are credited or charged to the statement of financial activities together with net realised gains or losses on disposals during the year. Realised gains are calculated from the opening market value of each investment sold. The realised gain over historical cost is disclosed in note 7 to the accounts. Investments include bank balances held as part of the long term investment strategy.

(g) Pension Costs

Pension costs are incurred only by way of employer's defined contributions to the employee's personal pension scheme. The contribution rate is 10% of gross salary and costs are wholly charged to the SOFA in the year in which they are incurred. Details of the costs and any outstanding amounts are shown in note 7 to the accounts.

2009	2008
£	£

2. Incoming resources

2.1 Donations and gifts

Station boxes	721	1,384
Donations - general public	5,297	3,938
	£6,018	£5,322

2.2 Subscriptions and Gift Aid

Net receivable	100,563	101,338
Tax recoverable	28,758	28,136
	£129,321	£129,474

2.3 Investment income

UK listed stocks and shares	70,079	84,572
Bank interest	195	10,588
	£70,274	£95,160

2.4 At the year end the fund had been notified that it was entitled to receive one-third of the residue of an estate. At the year end the precise value of this legacy was not known but was expected to be around one million pounds.

3. Resources expended

	Voluntary Income £	Charitable Activity £	Governance £	Total 2009 £	Total 2008 £
Grants to widows and orphans					
Lump sum grants	-	66,000	-	66,000	90,000
Dependent child grants	-	24,365	-	24,365	20,750
Special grants	-	48,203	-	48,203	31,615
Other special grants	-	1,818	-	1,818	-
Support costs					
Secretarial and clerical assistance	2,181	10,904	1,454	14,539	14,203
Auditor's fees: for audit	-	-	1,432	1,432	1,460
for other services	-	-	1,040	1,040	990
Bank charges	-	83	-	83	-
Sundry expenses	15	74	10	99	47
Depreciation	13	63	8	84	105
	£2,208	£151,511	£3,944	£157,663	£159,170

Where support costs cannot be directly apportioned to the activities of the charity they have been split amongst the various areas. As the Administrator is considered the main driver of these costs, they have been split based on the time the Administrator spends on each activity.

	2009 £	2008 £
4. Staff costs and numbers		
Staff costs:		
Salaries	12,195	11,902
Social security costs	877	834
Other pension costs	1,467	1,467
	£14,539	£14,203
Total number of employees	1	1

No employee received emoluments in excess of £60,000.

5. Transactions with trustees' and related parties

No remuneration or other benefits are paid to any trustee or connected person.

During the year no expenses were re-imbursed to trustees (2008: none).

6. Tangible fixed assets

	Computer Equipment £
Cost	
Balance at 1st January 2008	2,436
Balance at 31st December 2009	2,436
Depreciation	
Balance at 1st January 2008	(2,015)
Provided	(84)
Balance at 31st December 2009	(2,099)
Net book value at 31st December 2009	£337
Net book value at 31st December 2008	£421

7. Fixed Asset Investments

	2009 £	2008 £
Value at the start of the year	1,881,367	2,281,343
Add: Acquisitions at cost	1,610,415	1,030,021
Less: value at start of year of investments sold	(1,611,841)	(1,130,974)
Net unrealised gains/(losses) on revaluation at year end	295,484	(299,023)
Value at the end of the year	2,175,425	1,881,367
Cash held as part of investment portfolio	31,541	41,299
Total portfolio value at end of year		£2,206,966
Historic cost at the end of the year excluding cash	£1,955,819	£2,077,287
<i>The values at the year end are analysed as follows:</i>		
Direct investments listed on a recognised stock exchange		
UK listed gilts and fixed interest stocks	289,867	232,764
UK listed equities	1,150,874	1,182,995
Non-UK listed gilts and fixed interest stocks	59,347	115,017
Non-UK listed equities	493,729	308,513
Alternative investment market holdings	181,607	42,079
	£2,175,425	£1,881,367

8. Contingent Liability

At the end of the year grant application forms had been sent to two widows but had not been returned. If all these applications were received and approved the total liability would be £12,000

9. Statement of funds

As at 1st January	2,030,547	2,644,889
Income	1,209,141	248,008
Expenditure	(172,266)	(174,581)
Net investment gains	301,937	(687,769)
As at 31st December	£3,369,359	£2,030,547
All funds are unrestricted		

Schedule of Investments for the year ended 31st December 2009

Investment

Equities UK Equities		Holding	Cost £	Market Value £
Amlin	Ordinary 28.125p shares	4,857	15,884	17,422
Anglo American	USD 054945	1,316	29,034	35,677
Astrazeneca	Ordinary 0.25USD shares	1,090	30,274	31,724
Aveva Group	Ordinary 3.333p shares	1,742	17,653	17,542
Barclays	Ordinary 25p shares	12,832	48,062	35,416
BHP Billiton	Ordinary \$0.50 shares	1,771	19,997	35,331
Booker Group PLC	Ordinary 1p shares	84,490	29,668	38,865
BP Plc	USD 0.25 stock	15,370	87,836	92,220
British American Tobacco	Ordinary 25p shares	2,295	39,395	46,279
Britvic	Ordinary 20p shares	5,921	21,623	24,158
Computacenter	Ordinary 6p shares	6,900	15,897	17,271
Compass Group	Ordinary 10p shares	8,072	33,123	35,937
GlaxoSmithKline	Ordinary 25p shares	4,071	59,372	53,717
Hays	Ordinary 1p shares	21,730	20,283	22,621
HSBC Holdings	Ordinary USD 0.50	11,675	75,603	82,752
HSBC ETFs PLC	Ordinary 11.395p Shares	1,171	63,478	64,042
Lloyds Banking Group	Ordinary 10p shares	27,474	15,357	13,927
MAN Group	Ordinary \$0.03428571 shares	2,716	17,030	8,379
Meggitt	Ordinary 5p shares	18,789	29,507	48,851
Morgan Crucible Company	Ordinary 25p shares	11,970	20,652	18,877
National Grid	Ordinary 11 13/17p shares	1,827	9,447	12,405
Prudential	Ordinary 5p shares	5,801	37,514	37,126
Rentokil Initial	Ordinary 1p shares	27,740	30,265	32,067
Rio Tinto	Ordinary 10p shares	1,329	28,180	45,053
Royal Dutch Shell	B shares Eur 0.07	3,303	51,026	59,834
Schroders	VTG £1 Shares	1,312	15,261	17,450
Spectris	Ordinary 5p shares	3,380	24,034	24,944
Tullet Prebon Group Holdings	Ordinary 25p shares	3,760	16,582	10,487
Vodafone Group	USD 0.10 shares	35,411	56,765	50,886
Whitbread	Ordinary 76.797p shares	2,283	18,069	32,213
Wolseley	Ordinary 10p shares	610	7,681	7,607
Wood Group	Ordinary 3.333p shares	12,590	22,928	38,878
Xstrata	Ordinary USD 0.50 shares	3,650	26,357	40,917
Total UK Equities			£1,033,838	£1,150,874

Overseas Equities	Holding	Cost £	Market Value £
BNY Mellon Fund Managers Newton Global Higher Income Inst Inc	38,155	40,331	45,881
Cazenove International Fund European Equity (Ex UK) B	85	141	174
Cazenove International Fund European Fund Class B Acc Nav	9,480	33,376	39,766
Findlay Park Funds PLC FP American Smaller Companies	950	13,424	23,124
First State Investments (UK) Asia Pacific Leaders CLS A Nav	7,775	15,	593 22,438
First State Investments (UK) Global Emerging Markets Leaders Class A Nav	8,027	22,112	22,826
HSBC International Sel. Funds SICAV Multialpha N Am Eq I Usd Inc Nav	8,140	37,241	43,980
Ignis Asset Management Argonaut European Institutional Inc	34,446	32,130	36,233
Ishares S & P 500 Nav	5,677	34,916	39,413
Lyxor International Asset Mgmt ETF DJ Stoxx 600 Utilities Eur Acc Nav Newton Oriental Nav	742	21,778	22,810
Mellon Fund Managers Newton Oriental Nav	5,570	18,408	24,690
Nevsky Capital LLP Global Emerging Markets Sterling Inc Nav	1,080	36,776	47,434
Odey Asset Management LLP UK	180	17,941	18,574
Polar Capital Funds Japan Hedged R Inc Nav	3,872	42,011	43,134
Schroder Alternative Solutions Commodity C USD Dis	800	56,245	63,253
Total Overseas Equities		£422,422	£493,729
Total Equities		£1,456,259	£1,644,604
UK Fixed Interest			
HSBC Asset Management Common for Income	90,970	101,795	98,247
HSBC Corporate Bond Instl Inc Nav	35,467	62,223	65,366
Invesco Fund Managers Perpetual Corporate Bond Inc (Gross) Nav	83,631	55,481	65,717
UK Government 1.25% Index-linked 22/11/17	52,320	58,754	60,536
Total UK Fixed Interest		£278,253	£289,867
Overseas Fixed Interest			
Franklin Templeton Investments Global bond	3,970	25,324	38,130
Goldman Sachs Global High Yield PTF USD I Dis	3,570	18,505	21,216
Threadneedle Investments High yield bond 2 Inc Nav	-	-	-
Total Overseas Fixed Interest		£43,829	£59,347
Total Fixed Interest		£322,082	£349,213

Alternative Investments	Holding	Cost £	Market Value £
Hedge Funds			
Alternative Investment Strategies Sterling Hedged Shs Ord NPV	9,850	9,312	10,318
Dexion Absolute GBP NPV Shares	15,730	18,206	22,022
Private Equity			
Candover Investments - Ord 25p shares	750	10,275	3,131
Property			
Charities Prop Property Fund	77,478	66,727	69,963
HSBC Infrastructure Co. - Ord 0.01p shares	16,360	17,691	18,667
HSBC Infrastructure Co. - C 0.01p shares	9,186	9,186	9,622
SWIP Fund Management SWIP Property Trust Inc	39,610	31,979	33,700
TR Property Investment Trust Ord 25p shares	9,450	14,101	14,184
Total Alternative Investments		£177,478	£181,607
Summary			
Total Equities		1,456,259	1,644,604
Total Fixed Interest		322,082	349,213
Total Alternative Investments		177,478	181,607
Total, all funds		£1,955,819	£2,175,425

Members

The following members died during 2009:

Ex-Constable Mike Carnell of Exmouth	died 06/01/2009
Ex-Sergeant Peter Rimmer of Thorverton	died 06/01/2009
Ex-Constable Tony Meagor of Plympton	died 06/02/2009
Ex-Constable Tony Seed of Ideford	died 22/03/2009
Ex-Superintendent G G (Charlie) Burbidge of Plympton	died 05/05/2009
Ex-Sergeant Maxwell Mutton of Liskeard	died 05/05/2009
Ex-Constable Tony Pascoe of Bideford	died 05/05/2009
Ex-Constable Michael Foden of Plymouth	died 25/05/2009
Ex-Constable Cliff Bush of Exmouth	died 29/05/2009
Ex-Constable George (Pat) Laity of Falmouth	died 31/05/2009
Ex-Superintendent David Scoble of Plymouth	died 21/06/2009
Ex-Sergeant Fred Mansfield of Torquay	died 21/06/2009
Ex-Inspector Stan Cole of Exeter	died 07/06/2009
Ex-Constable Michael Marsh of Exeter	died 09/07/2009
Ex-Constable Ron Dennis of Plymouth	died 11/07/2009
Ex-Sergeant Keith Cann of Paignton	died 27/08/2009
Ex-Sergeant Victor Back of Dousland	died 30/08/2009
Ex-Constable Gregory Roberts of Liskeard	died 01/09/2009
Ex-Constable Paul Oram of New Zealand	died 04/09/2009
Ex-Sergeant Norman (Mac) Maguire of Seaton	died 29/09/2009
Ex-Chief Inspector John (Willie) Williamson of S Molton	died 10/10/2009
Ex-Sergeant Joseph Pounder of Broadclyst	died 30/10/2009
Ex-Chief Inspector Cyril Ley of Crediton	died 13/11/2009
Ex-Sergeant Arthur (Mac) McColl of Tregony	died 25/11/2009
Ex-Constable Roger Emmett of Newton Abbot	died 23/12/2009

The Funds oldest widow

It is with regret that information has been received that in January 2010 the Funds eldest widow Mrs Bessie Winder has died at the age of 102 years at her residential home in Wiltshire. The condolences of the Fund have been sent to the family.



The late Mrs Betty Winder on her 100th birthday with the then Chairman of the Fund Steve Pierce

In Force Fund Raising Donations received in 2009

BCU	Police Ball & Dances	£	Other Sources	£	Total £
Other			NARPO (North Devon)	300.00	
			NARPO (South Devon)	500.00	
			NARPO (Exeter)	250.00	
			D&CC Force Bowls Section Memorial match re the late Sergeant Neale Jones	100.00	
			D&CC Force Bowls Annual Match Plymouth Area Police Bowls Club	200.00	
			Inspector Vince Puffitt Re the late Inspector Tony Mead	250.00	
			D&CC Police Federation Joint Board Board	750.00	
			Ms Pam Giles (forfeit box)	35.00	2,559
					2,559

